
Secondary disclosure statement

(AUTHORISED FINANCIAL ADVISER)

Lachie Gunn – CFP^{CM}, CLU, AFA FSP - 93261

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This disclosure statement was prepared on:

1 July 2018

1. My Qualifications

I am an Authorised Financial Adviser (AFA). My certification was renewed on 20 May 2016 and expires on 20 May 2026.

I am also a Certified Financial Planner^{cm} (CFP^{cm}), a Chartered Life Underwriter (CLU) and member of Financial Advice New Zealand (FANZ).

I hold the following qualifications:

1997 - Diploma in Business Studies – Personal Financial Planning, Massey University

2005 - Certificate in Advanced Business Risk Management – Adviserlink

2. My Experience

I have over 25 years' experience in the financial services industry including a number of years as a Company Superannuation and Employee Benefits Consultant. In addition, I have held technical roles in retail investments and insurance and product development.

In 2005 I set up my own financial services business in Christchurch and it was this business that initially operated a joint venture with Polson Higgs until 2011 when I sold out of the business to take on a full time role as CEO/Director and Senior Adviser of Polson Higgs Insurance Services.

In 2012 I joined First Capital Financial Services as Director and Shareholder retaining responsibility for providing services for Polson Higgs.

3. Continuing Education

As a member of Financial Advice New Zealand (FANZ) I am required to keep my qualifications up to date through continuing education. Ongoing professional development is also a requirement of being an AFA. I regularly attend approved courses through FANZ as well as technical briefings, seminars, product accreditation and conference workshops with various institutions.

This includes keeping up to date with changes in the Code of Professional conduct for Authorised Advisers and relevant consumer laws.

4. Professional Bodies

I am a member of FANZ and am bound by their code of practice to carry out my role as a trusted adviser to the highest professional and ethical standards.

5. How do I operate?

When I give advice I follow the internationally recognised six-step process:



This can require a series of meetings with a prospective client before our advice is finalised. It also means I maintain a close on-going relationship with clients, regularly reviewing progress and working with them over time to ensure their goals can be met.

The services I provide will depend on your needs. They may include any or all of those detailed in this Disclosure Statement.

My advice will take account of your personal objectives, financial situation and needs. It will be clear and concise, with enough detail for you to make an informed decision about whether to act on it.

6. Professional Indemnity Insurance

First Capital Financial Services Limited and its advisers are covered under a Professional Indemnity (PI) Insurance policy.

This insurance is underwritten by Lumley Insurance. As with all insurance policies there are terms, conditions and exclusions that may apply.

7. Services and products I provide

I provide the following types of financial adviser services:

- Financial and Investment Planning Services
- Insurance Planning Services

I am authorised to provide advice in the following subject areas:

Personal Risk Management
<ul style="list-style-type: none">▪ Life and Serious Illness▪ Short and Long term Disability▪ Medical insurance▪ ACC Products
Business Risk Management
<ul style="list-style-type: none">▪ Shareholder protection▪ Key person cover▪ Debt protection
Comprehensive Financial Planning
<ul style="list-style-type: none">▪ Investment Planning▪ Asset allocation▪ Short and Long term financial planning▪ Retirement Planning▪ Goal oriented investment planning
Estate Planning
<ul style="list-style-type: none">▪ General aspects of estate planning. - Any areas requiring specialist advice would be referred to an external professional.
Employee Benefits
<ul style="list-style-type: none">▪ Group insurance scheme▪ Company superannuation schemes▪ Workplace seminars including KiwiSaver

8. Remuneration

I am a Director and Shareholder of First Capital Financial Services. I receive a salary and may qualify for annual bonuses and dividends depending upon a range of factors including financial results.

First Capital Financial Services will or may receive remuneration from the following sources:

- Initial commission
- Renewal (or Service) commission
- Production and/or Persistency Bonus Commission
- Level Commission – as an alternative to the above
- Fees

Advice Fees

I may charge a fee for the financial service I provide. Fees will be disclosed in the Letter of Engagement which will outline the specific service I will be providing to you.

Fees will be based on an overall cost for the work being completed or an hourly rate.

Commission

Providers	Maximum Initial Rates	Renewal / Service
AIA Insurance	130%	20%
AMP Life	175%	6%
Asteron	130%	20%
Fidelity Life	140%	13.75%
Partners Life	100%	10%
Sovereign Assurance	120%	20%

Providers (Health)	Maximum Initial Rates	Renewal / Service
Accuro	30%	15%
AIA Insurance	37.5%	7.5%
Nib	70%	5%
Partners Life	25%	25%
Southern Cross	30%	15%
Sovereign Assurance	30%	20%

Portfolio Management Fees

The fees payable on a Private Investment Portfolio are calculated daily on the market value of the portfolio. The below fees are those received by First Capital only. Actual total fees payable would be detailed in the Statement of Investment Advice.

Funds under Management	
\$0 - \$500,000	1.09%
\$500,001 - \$750,000	0.94%
\$750,001 - \$1,000,000	0.74%
+ \$1,000,000	0.61%

The total fees payable on a KiwiSaver or New Zealand Retirement Trust account are detailed in the Product Disclosure Statements.

Insurance Policy Cancellation Fee

As outlined above First Capital Financial Services receives commission when insurance business is placed with a provider. If business, once placed, is partly or fully cancelled or lapses within two years of policy commencement then First Capital reserves the right to charge a fee of up to a maximum of \$1,500 plus GST to cover costs incurred as a result of the cancellation.

9. Relationships

First Capital Financial Services holds partnership agreements with Polson Higgs to provide Insurance Planning Services to their clients. Under this agreement a percentage of the revenue received by First Capital is shared with the respective companies. These relationships have no impact or influence on the advice provided to clients.

10. Conflicts of Interest

First Capital Financial Services does not have any preferential terms (other than those readily offered to other market participants) or production performance agreements with any particular product provider. First Capital Financial Services does not have any commercial relationships or contractual arrangements that present any particular conflict of interest to consumers generally which would be reasonably likely to materially influence me in providing the financial adviser service.

I am not required to place any level of business with any supplier or financial organisation.

I do not have any other financial or other relationship with any other person that would be reasonably likely to influence me in giving advice, except as described above.

11. Declaration

I, Lachlan Macdonald Gunn declare that, to the best of my knowledge and belief, the information contained in this disclosure statement is true and complete and complies with the disclosure requirements in the Financial Advisers Act 2008 and the Financial Advisers (Disclosure) Regulations 2010.

Signed:



Dated: 1 July 2018